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21 February 1967

NOTE FOR: Carl

25X1A 1. The article describes a new activity that could be very significant in terms of the considerable Agency expenditures in computer rentals. The rental cost of these leasing companies runs roughly 10 - 25% below those of the computer manufacturer. You might want to ask [ ] to dig into this a little bit deeper in concert with someone from PPB to see what the total savings to the Agency could be. Roughly S&T rentals go about 25X1A [ ] per year, and the Agency total might go [ ] 25X1A Savings could go somewhere from [ ] per year. 25X1A This impacts on any direct procurement also in terms of potential savings.

2. From the customer viewpoint the proposition described appears to be riskless.

3. Even if this appears to be an undesirable arrangement from our viewpoint, the finance factor developed should generate considerable pressure which can be used in negotiating [ ] etc.

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